THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) A capacity addition target of 41,110 MW has been fixed for Tenth Plan. Effective mechanisms have been put in place to ensure timely completion of the projects and achievement of the targeted capacity during Tenth Plan.

- In addition to the benefits from new generating capacity, the power supply position is expected to further improve through:
- An additional capacity of 3000 MW is expected to come from renewable sources of energy. In addition, supply of 1000 MW from Tala Hydroelectric Project in Bhutan is expected in the Tenth Plan.
- Undertaking energy conservation measures for which the Energy Conservation Act has been enacted and the Bureau of Energy Efficiency constituted.
- Reducing technical losses in distribution. The Accelerated Power Development and Reforms Programme (APDRP) is designed for the attainment of this objective.
- Undertaking Renovation and Modernisation (R&M) of existing power stations which combined with improved Operation and Maintenance practices would lead to higher availability and generation.
- Export of power from surplus to deficit region through the gradual development of a National Grid to optimize utilization of generating capacity on an all India basis.
- Installation of captive generating plants. The new Electricity Bill provides for a liberal framework for construction of captive power plants freely.

Privatization of power transmission and distribution

864. SHRI C. RAMACHANDRAIAH:
SHRI K. KALAVENKATA RAO:

Will the Minister of POWER be pleased to state:

(a) whether the high-powered Committee set up by the Orissa

Government has rejected the World Bank perspective that privatization of transmission and distribution of power reduces losses;

(b) if so, the recommendations of the Committee;

(c) how Ministry of Power views this report;

(d) whether Government proposes to suggest to 'go slow' to those estates which are vigorously following and policy of privatizing the power transmission and distributions; and

(e) in the light of Orissa Committee recommendations whether MOP wants to appoint highpowered Committee to look into the issue from national perspective?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (e) Government of Orissa constituted a Committee of independent experts with Shri S. Kanungo as Chairman to review the power sector reforms in the State.

The main recommendations of the Committee are as follows:-

(i) Keep in abeyance the upvaluation of assets undertaken during the time of asset transfer as it has needlessly added to the cost of power and made the task of achieving commercial viability more difficult. Upvaluation in respect of Orissa Hydro Power Corporation (OHPC) needs to be set aside.

(ii) Arrange financial support during transition for financing the revenue gap till commercial viability is achieved.

(iii) Make OERC fully operational.

(iv) Key to revival of sector is in improving efficiency and bringing down costs. Launch a concerted drive to remove illegal connections such as hooking and effictive measures to convert them into regular connections followed up by systematic billing and collection of energy charges. Police protection to be provided for teams carrying out drives to prevent unauthorised use of electricity. Ensure 100% consumer metering within a year.

(v) A Rural Electrification Planning Organization (REPO) should be set up to complete the work of rural electrification.

In the Conference of Chief Minister/Power Minister held in March, 2001, it was resolve inter alia that commercial viability has to be achieved indistribution in 2-3 years through any or all of the following:

- Creating Profit Centres with full accountability
- Handing over of local distribution to Panchayats/Local Bodies/ Franchises/Users Association, wherever necessary
- Privatisation of distribution
- Or any other means.

The Distribution Policy Committee constituted by the Government of India under the Chairmanship of Secretary (Power) in its report, taking into account the recommendations of Kanungo Committee, has recommended, inter alia, that:

(i) For privatisation to succeed, support of the State Government in the transition period has to be provided by ensuring that:-
   - Government departments/agencies and municipal bodies are able topay for their electricity bills and accept the commercial discipline that electricity cannot be supplied without timely payment.
   - Governance and law enforcement support is provided for assisting the privatized utilities in bringing about the necessary change in deep-rooted attitudes among their employees as well as customers so that all energy flows are metered and audited and supply discontinued in the absence of timely payment.

(ii) The various stakeholders including the State Government need to acknowledge that privatisation may not result in commercially viable entities immediately and there would be a transition phase.

Hydro-electric projects in U.P.

†865. PROF. M.M. AGARWAL: Will the Minister of POWER be pleased to state:

(a) the number of hydro-electric projects being implemented in State of Uttar Pradesh;

(b) the period, determined for the completion of these projects; and

(c) the effective steps being taken by Government to complete the projects of the State?

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†Original notice of the question was received in Hindi.